

**Alcohol Abuse, Drug Abuse, and
Community Action Against Substance Abuse Programs
Department of Health and Social Services – Program 3**

I. PROGRAM OBJECTIVES

The objective of these programs is to develop, encourage, and foster statewide, regional and local responses and programs for the prevention of alcohol, other drug and inhalant abuse and the treatment of persons affected by alcohol and drugs in cooperation with public and private organizations and individuals.

II. PROGRAM PROCEDURES

Funds are appropriated annually to the Department of Health and Social Services, Division of Alcoholism and Drug Abuse by the state Legislature. These funds are distributed by a grant-in-aid and contract mechanism to nonprofit or local government agencies. These agencies become service providers for specific geographic locations.

Funds are provided through quarterly advances of 25% of the approved annual budget in response to a written “request for advance” submitted by the program. Quarterly cumulative fiscal reports are filed within 30 days from the end of the quarter detailing expenditures and receipts as compared to the approved grant budget. Budget revisions may be approved upon written request consistent with grant regulations. 7 AAC 78

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

Grant funds under this program are used for:

1. Treatment of substance abusers in a residential or outpatient setting including continuing care;
2. Prevention services including public information, education/skill building activities, environmental/community development approaches;
3. Early intervention and outreach as specified in approved program goals and objectives; and,
4. Organized alternative activities for high-risk populations as specified in approved program goals and objectives.

Programs are required to be in compliance with the State Standards for Alcoholism Programs where applicable. 7 AAC 28, 7 AAC 29 and 7 AAC 33

Suggested Audit Procedures

Review:

1. Contract or final Notification of Grant Award (NGA) including all conditions;
2. Grant/contract revisions and related transmittal letters;
3. Licenses, certifications, approvals, status of private nonprofit corporation if applicable;
4. Budget documents including final revised budget and budget narrative;
5. 7 AAC 28, 7 AAC 29, and 7 AAC 33 (applicable for Methadone programs); and

Test financial and related records to determine that funds expended were for purposes specified in the grant/contract.

Compliance Requirement

Costs allowed or unallowed under this program are determined by grant regulation 7 AAC 78 as well as contract or budget documents and special conditions.

Suggested Audit Procedures

- Review Department of Health and Social Service's grant regulation, 7 AAC 78 and budget documents;
- Test financial and related records to determine the appropriateness of costs per 7 AAC 78; and
- Determine whether expenditures are within the budget limits prescribed by 7 AAC 78.260(e)(1).

B. ELIGIBILITY

Compliance Requirement

Recognized local governments and nonprofit corporations registered in the State of Alaska are eligible for grants.

Suggested Audit Procedure

- Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Alcohol programs are required to match the state funding with 10% local funds or “in-kind services” unless explicitly exempted. This match may include funds available through federal grants or contracts as well as locally generated funds. Other state funds, with the exception of state revenue sharing funds, are not allowable as cash match. In-kind contribution should qualify under AS 47.30.475.

Suggested Audit Procedures

- Review AS 47.30.475, 7 AAC 29, 7 AAC 78, and grant documents;
- Test financial and related records to ensure that matching funds are appropriate and meet the requirements of AS 47.30.475 and
- Determine whether or not matching requirements meet the 10% requirement levels, if applicable. (See C. above)

D. REPORTING REQUIREMENTS

Compliance Requirement

[Programs, except CAASA programs, are required to participate in the ADA Management Information System.]

All programs will submit quarterly written program narratives and cumulative fiscal expenditure reports no later than thirty days after close of each quarter.

Suggested Audit Procedures

- Confirm if such reports are being filed timely;
- That reported revenues and expenditures agree with the agency’s general ledger; and
- That expenditures are within the budget limits or contract provisions.

Compliance Requirement

Agency audited financial statements must present a statement of revenue and expenditures for each state grant/contract. Such statements must show, for each state fiscal year grant, the final approved budget by line item category; actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedure

- Review audited financial statements for compliance with above.

Compliance Requirement

The agency must clearly show on their audited financial statement any outstanding liability to the state as payable to the state. This includes unspent grant funds or disallowed costs.

Suggested Audit Procedures

- Determine whether or not the agency has any outstanding liability to the state; and
- Review audited financial statements to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures

- Obtain copy of program site review; and
- Determine if recommendations in the site review are being implemented.

Modified 5/02